

MINUTES
BASTROP COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

February 5, 2021

The Board of Directors (the “Board”) of Bastrop County Municipal Utility District No. 1 (the “District”) met on the 5th day of February, 2021, in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott’s emergency disaster declaration dated March 13, 2020, and the roll was called of the members of the Board being present by telephone:

Steve Adamcik	President
Linda Roberts	Vice President
William Tullis	Secretary
Jerry B. Patterson	Assistant Vice President
Jane T. Sevier	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also attending the teleconference were Mark Huff, resident of the District; Brett Lanham of Lanham Consulting; Ashlee Martin of McCall Gibson Swedlund Barfoot PLLC; Terry Holland of Myrtle Cruz, Inc.; Hal Lanham and Tammy Hargett of AWR Services, Inc. (“AWR”); and Kathryn Garner and Janet Swartz of Allen Boone Humphries Robinson LLP (“ABHR”).

Ms. Garner reviewed certain recommended protocols for conducting the District’s meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an “agenda packet” prior to the start of the meeting at <https://www.districtdirectory.org/agendapackets/bastropcmud1>.

PUBLIC COMMENT

Ms. Garner offered any members of the public attending the meeting by telephone the opportunity to make public comment. There were no comments from the public.

CONSIDER OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC AND RATIFICATION OF ANY EMERGENCY ACTIONS, IF NECESSARY

The Board concurred that there were no COVID-19 epidemic emergency actions for ratification.

MINUTES

The Board considered approving the minutes of the January 8, 2021, regular meeting. Following review and discussion, Director Tullis moved to approve the minutes of the January 8, 2021, regular meeting. Director Adamcik seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS AND TAX REPORT AND APPROVE THE ADDITION OF DIRECTOR ON DISTRICT BANK ACCOUNT

Mr. Holland reviewed the bookkeeper's report, including the bills submitted for approval, transfers, investment report, energy report, and year-to-date budget, a copy of which is attached.

Mr. Holland discussed the directors who are authorized to sign checks for the District's account at First National Bank. He recommended that Mr. Textor's name be removed and Director Adamcik's name be added as an authorized signatory on the account. After discussion, Director Tullis moved to (1) authorize Director Adamcik to sign checks for the District's account at First National Bank and be listed as an authorized signatory; and (2) authorize removal of Mr. Textor as an authorized signatory on the District's account at First National Bank. Director Patterson seconded the motion, which passed by unanimous vote.

The Board reviewed the monthly tax report for January, 2021, from the Bastrop County Tax Office, a copy of which is attached. After review and discussion, Director Tullis moved to approve the bookkeeper's report, investment report, and checks presented for payment. Director Patterson seconded the motion, which passed by unanimous vote.

APPROVE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2020

Ms. Martin reviewed the District's audit for the fiscal year end September 30, 2020. She discussed the District's income and expenses. Mr. Lanham discussed the age of the District's facilities and associated maintenance costs. He stated that costs to operate the facilities have continually increased and may increase in the future due to the age of the system. Director Adamcik stated he will work with Mr. Holland to estimate future maintenance expenses for budget purposes. After review and discussion, Director Tullis moved to approve the audit, authorize filing of the audit with the Texas Commission on Environmental Quality, contingent upon ABHR review, and direct that the audit be filed appropriately and retained in the District's official records. Director Patterson seconded the motion, which passed by unanimous vote.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Garner reviewed a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Tullis moved to adopt a Resolution Concerning

exemptions from Taxation, reflecting that the Board of Directors rejects any exemptions of residential homesteads from ad valorem taxation and direct that the Resolution be filed appropriately and retained in the District’s official records. Director Patterson seconded the motion, which passed by unanimous vote.

REPORT FROM TAX ADVISOR

There was no report from the tax advisor.

RATIFICATION OF EMERGENCY OR URGENT ACTIONS

The Board concurred that there were no emergency or urgent actions for ratification.

OPERATION OF DISTRICT FACILITIES AND DISCUSSION REGARDING DELINQUENT ACCOUNTS AND TERMINATIONS

Mr. Lanham reviewed the operator’s report, a copy of which is attached, and reviewed maintenance and repairs at the District’s facilities. He stated that there are 116 active connections in the District.

Mr. Lanham stated there were no delinquent accounts. He discussed maintenance items performed at the wastewater treatment plant.

Mr. Lanham stated that the single-door lockbox to be utilized only by the District for posting of agendas in the Valley area has been ordered.

Mr. Lanham and Ms. Hargett discussed the electronic meters pilot program. Ms. Hargett stated that the pilot meters were installed in September of 2020 and four customers have created the Eye on Water account to monitor water usage.

Mr. Lanham updated the Board on AWR’s COVID-19 response plan.

Mr. Lanham stated that water loss in the District was 10%.

After review and discussion, Director Tullis moved to approve the operator’s report. Director Patterson seconded the motion, which passed by unanimous vote.

REPORTS REGARDING DISTRICT WATER QUALITY AND FINANCIAL CONCERNS

There was no report or discussion on this agenda item.

ENGINEERING MATTERS

The Board reviewed the engineer’s report submitted by Befco Engineering, Inc., a copy of which is attached.

RELOCATION OF 4" SEWER LINE AND 6" WATER LINE

Ms. Garner stated that in connection with the relocation of a 4" sewer line and 6" water line located near the Townhomes, ABHR received final comments from the Parliament Group, Inc., on a utility easement requested by the District. Ms. Garner submitted the comments to the Board for approval and the Board tabled approval of the utility easement.

After discussion, the Board concurred to approve the engineer's report.

REPORT ON PARLIAMENT GROUP, INC., DRAINAGE WORK AND REQUEST FOR REIMBURSEMENT FOR REPAIR OF BROKEN SEWER MAIN

Ms. Garner stated that the Parliament Group, Inc. ("PGI"), has agreed to a reimbursement in the amount of \$16,135 for broken sewer mains that were damaged by a contractor hired by PGI and has executed a Release of Claims. She stated that the Amended Utility Easement was signed by PGI and was recorded.

REPORT ON COUNTY ROAD WORK AND REQUEST FOR REIMBURSEMENT FOR REPAIRS AND REPLACEMENT OF AIR RELIEF VALVE AND RELATED SERVICES

Ms. Garner discussed the demand letter that was sent to the County requesting reimbursement in the amount of \$6,238.25 and rejected by the County. After discussion, Director Adamcik moved to authorize ABHR to continue communications with the County regarding the District's request for reimbursement. Director Patterson seconded the motion, which passed by unanimous vote.

REPORT ON COUNTY FEMA HAZARD MITIGATION ACTION PLAN

There was no update on the progress of the FEMA Hazard Mitigation Plan.

MAINTENANCE OF THE DISTRICT WEBSITE

Director Sevier stated she did not have an update on the District's website.

CYBERSECURITY REMINDER

Ms. Garner reviewed a memorandum to the Board regarding Chapter 2054, Texas Government Code, annual cybersecurity training requirements for certain local government employees and elected officials, a copy of which is attached. She stated that Board members must select a training program that is certified by the Texas Department of Information Resources. Ms. Garner added that according to the Texas Department of Information Resources, the training should be completed by June 14th of each year.

REPORT ON DEVELOPMENT IN THE DISTRICT

Director Adamcik reported on development in the District. Mr. Lanham updated the Board on litigation between AWR and Brett Lanham. Mr. Brett Lanham made a statement to the Board on the same matter.

Mr. Adamcik discussed the possibility of entering into an agreement with Mr. Textor for his ongoing volunteer services to the District. The Board requested ABHR determine the form of agreement for Mr. Textor' volunteer services to the District.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY

The Board convened in Executive Session at 11:18 a.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with its attorney.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING MATTERS CONSIDERED IN EXECUTIVE SESSION

The Board reconvened in open session at 12:28 p.m. The Board took no action.

NEXT MEETING DATE

Following discussion, the Board agreed to hold the next meeting on March 5, 2021, at 10:00 a.m. by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020.

After discussion, Director Adamcik moved to adjourn the meeting. Director Patterson seconded the motion, which passed by unanimous vote.

/s/ William Tullis
Secretary, Board of Directors



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